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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

HTC CORPORATION and HTC AMERICA,
INC.,

Plaintiffs-
Counterclaim Defendants,

v.

TECHNOLOGY PROPERTIES LIMITED,
PATRIOT SCIENTIFIC CORPORATION
and ALLIACENSE LIMITED,

Defendants-
Counterclaim Plaintiffs.

Case No. C-08-00882 JF (HRL)
(related to C 08 00877, C 08 00884,
and C 08 05398)

**PLAINTIFFS HTC CORPORATION
AND HTC AMERICA, INC.'S NOTICE
OF MOTION, MOTION, AND
MEMORANDUM IN SUPPORT OF
ITS MOTION TO COMPEL
RESPONSES TO INTERROGATORY
NOS. 3 AND 4 AND REQUESTS FOR
PRODUCTION NOS. 3, 5, 6 and 8-11**

Date: December 14, 2010
Time: 10 am.
Judge: The Hon. Howard R. Lloyd
Location: Courtroom 2

NOTICE OF MOTION AND MOTION TO COMPEL

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on Tuesday, December 14, 2010, at 10:00 am., or as soon thereafter as the matter may be heard in the above-entitled Court, located at 280 South First Street, San Jose, CA 95113, plaintiffs HTC Corporation and HTC America, Inc. (collectively “HTC” or “Plaintiffs”) will move to compel further written responses and production of documents responsive to HTC’s discovery requests made to defendants Technology Properties Limited, Patriot Scientific Corporation and Alliacense Limited (collectively “TPL” or “Defendants”). HTC’s motion to compel is made pursuant to Rules 26 and 37 of the Federal Rules of Civil Procedure and Civil Local Rule 37-2, and is based on this Notice of Motion and Motion to Compel, the Memorandum of Points and Authorities filed concurrently herewith, and the Declaration of Kyle Chen (“Chen Declaration”) filed concurrently herewith, all records and papers on file in this action, and any evidence or oral argument offered at the hearing on this motion. HTC specifically seeks further responses and production for the following discovery requests: Interrogatories Nos. 3-4 and Requests for Production Nos. 3, 5, 6 and 8-11.

MEMORANDUM OF POINTS & AUTHORITIES

I. INTRODUCTION

This declaratory judgment action was filed in early 2008 and involves United States Patents Nos. 5,809,336, 5,440,749, 6,598,148 and 5,530,890 (collectively the “Patents-in-Suit”). TPL in its counter-claim filed in late 2008 accuses HTC of infringing the Patents-in-Suit.

The discovery issues presented in this motion can be grouped into two categories. First, HTC seeks further responses to two interrogatories that call upon TPL to identify by Bates numbers its communications with others regarding the Patents-in-Suit. TPL’s current response consists of a blanket reference to its document production that spans more than 1.8 million pages – most of which having nothing to do with the subject of the two interrogatories. Case law is clear that a party relying on Rule 33(d) to answer an interrogatory must identify with *specificity* the documents upon which a response to the interrogatory may be found. *See, e.g., Rainbow*

1 *Pioneer No. 44-18-04A v. Hawaii-Nevada Inv. Corp.*, 711 F.2d 902, 906 (9th Cir. 1983) (the
 2 reference made under Rule 33(d) must specify “sufficient detail to permit the interrogating party
 3 to locate and to identify, as readily as can the party served, the records from which the answer
 4 may be obtained”). TPL has utterly failed to comply with this requirement and should be ordered
 5 to provide a further response.

6 Second, TPL has refused to produce several categories of highly relevant documents
 7 relating to non-privileged internal communications and documents regarding the Patents-in-Suit,
 8 and non-privileged communications regarding the Patents-in-Suit among co-defendants
 9 Technology Properties Ltd., Patriot Scientific Corp., Alliacense Ltd. and the named inventors of
 10 the Patents-in-Suit. These documents are clearly relevant to a variety of issues in this case
 11 including without limitation invalidity, non-infringement, ownership (including standing) and
 12 calculation of patent damages. TPL’s refusal to produce these highly-relevant documents is
 13 without basis, and the Court should order their production forthwith.¹

14 **II. ARGUMENT**

15 The scope of discovery under the Federal Rules of Civil Procedure is broad. *U.S. v.*
 16 *Cathcart*, No. C 07-4762, 2009 WL 1764642, at *2 (N.D. Cal. June 18, 2009); *Castaneda v.*
 17 *Burger King Corp.*, 259 F.R.D. 194, 196 (N.D. Cal. 2009). “Parties may obtain discovery
 18 regarding any non-privileged matter that is relevant to any party’s claim or defense.” Fed. R. Civ.
 19 Proc. 26(b)(1). Relevant information “need not be admissible at trial if the discovery appears
 20 reasonably calculated to lead to the discovery of admissible evidence.” *Id.* “The broad scope of
 21 permissible discovery encompasses any matter that bears on, or that reasonably could lead to
 22 other matters that could bear on, any issue that is or may be in the case.” *Watts v. Allstate Indem.*
 23 *Co.*, No. 2:08-CV-01877, 2010 WL 3037024, at *2 (E.D. Cal. Aug. 2, 2010) (citing *Oppenheimer*
 24 *Fund, Inc. v. Sanders*, 427 U.S. 340, 351 (1978)). Discovery is not limited to the merits of a case,
 25

26 ¹ The parties’ meet-and-confer efforts, and the final positions of each party are attached herewith
 27 in the Chen Decl.
 28

1 given that “a variety of fact-oriented issues may arise during litigation that are not related to the
2 merits.” *Id.*

3 **A. TPL Should Be Compelled To Identify by Bates Numbers All**
4 **Communications Relating to Potential or Actual Licensees, Claim of**
5 **Infringement and/or Validity of the Patents-in-Suit (HTC’s Interrogatory**
6 **Nos. 3 and 4).**

7 HTC’s Interrogatory Nos. 3 and 4² ask TPL to describe the circumstances surrounding
8 licensing of the Patents-in-Suit and to identify communications relating or referring to claim of
9 infringement and/or validity of the Patents-in-Suit, respectively. TPL objected that the
10 interrogatories are overbroad and unduly burdensome, and that the information sought is
11 irrelevant, but indicated that responsive information is contained in its production of documents
12 containing communications with prospective and actual licensees. However, TPL has refused to
13 identify such documents by Bates numbers under Rule 33(d). *See* Chen Decl., Ex. C., p. 3.

14 HTC does not object to a response that refers to documents in TPL’s production, provided
15 that it complies with Rule 33(d). That rule provides that when a party seeks to respond to an
16 interrogatory by referring to its own business records, the response must “specify[] the records
17 that must be reviewed, in sufficient detail to enable to interrogating party to locate and identify
18 them as readily as the responding party could” Fed. R. Civ. P. 33(d)(1). Courts in this
19 circuit have repeatedly held that a non-specific reference to documents in a party’s production
20 does not comply with Rule 33(d) because “referring to a wide universe of documents does not
21 specify the records in sufficient detail.” *Mancini v. Insurance Corp. of New York*, 2009 WL
22 1765295, at *2 (S.D.Cal. 2009); *Dibbs v. The Franklin Mint*, 2007 WL 4327876 (W.D. Wash.

23 _____
24 2

25 HTC’s Interrogatory No. 3 reads as follows: “Describe all circumstances surrounding every
26 license to or offer to license the Patents-in-Suit, including but not limited to identifying who
27 participated in the making and receipt of the offer, the date of the offer, and terms of the offer,
28 and any documents concerning the offer.” *See* Chen Decl., Ex. D, p. 2.

HTC’s Interrogatory No. 4 reads as follows: “Identify all communications you had with any other
person and/or entity relating or referring to a claim of infringement and/or validity of the Patents-
in-Suit, including but not limited to the participants in that communication, the date of the
communication, and the factual information provided by the participants to the communication.”
See id.

2007) (holding that response to interrogatory that referred to party's entire document production did not comply with Rule 33(d)).

TPL's reference to its production of more than 1.8 million pages clearly does not comply with the requirement. TPL's communications with potential and actual licensees regarding the Patent-in-Suit are highly relevant to this case. Similarly, any communications relating to non-infringement and invalidity are also highly relevant. These communications, at the very least, have a direct bearing on TPL's claims for damages, liability and HTC's potential defenses thereto. In an attempt to avoid this motion, TPL offered to identify the Bates numbers of responsive documents for its upcoming supplemental production that covers only communications in the recent past. See Chen Decl., Ex. C, p. 3. This offer is wholly inadequate as it still leaves HTC to comb through the remaining 1.8 million pages of its prior production to find materials responsive to the interrogatories.

TPL's characterization of Interrogatory Nos. 3 and 4 as "overbroad" and "unduly burdensome" is without merit. HTC's narrowed request that TPL identify by Bates numbers the communications relating to licensing, infringement and validity in its production is tailored to be less burdensome for TPL while still providing HTC with the information that has a direct bearing on this case. TPL is clearly in a superior position to identify the communications in its production that are responsive to HTC's interrogatories. These communications are, after all, TPL's own communications from its own production. Considering that HTC was not involved in those communications and does not know the identities of the persons with whom TPL has communicated regarding the Patents-in-Suit, it is questionable whether HTC could even adequately identify those communications or separate them from the vast number of unrelated documents in TPL's production.

B. TPL Should be Compelled To Produce All Communications and/or Documents that Relate or Refer to the Patents-in-Suit (HTC's Requests for Production Nos. 3, 5, 6 and 8-11).

Despite the mountain of documents that TPL has produced, it has become apparent that TPL has not fully complied with its obligations to produce all responsive documents. In fact, TPL admitted that has not fully responded to HTC's Requests for Production Nos. 3, 5, 6 and 8-

11,³ which call for production of all documents and communications that relate or refer to:

- a. any licensing involving the Patents-in-Suit (No. 3);
- b. any claims of infringement and/or validity of the Patents-in-Suit (No. 5);
- c. any prior art to the Patents-in-Suit (No. 6);
- d. any products practicing the Patents-in-Suit (No. 8);
- e. any disputes involving the Patents-in-Suit (Nos. 9 and 10);
- f. any settlement negotiations involving the Patents-in-Suit (No. 11).

In particular, TPL has refused to produce any internal communications and/or communications among responsive to such requests from HTC. TPL argues that such internal

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HTC's Request for Production No. 3 reads as follows: "All documents and communications that relate or refer to licensing of the Patents-in-Suit." *See* Chen Decl., Ex. E, p. 7.

HTC's Request for Production No. 5 reads as follows: "All documents and communications that relate or refer to a claim of infringement and/or validity of the Patents-in-Suit." *See id.* at 8.

HTC's Request for Production No. 6 reads as follows: "All documents and communications that relate or refer to any prior art to the Patents-in-Suit." *See id.* at 9.

HTC's Request for Production No. 8 reads as follows: "All documents that relate or refer to the sales or marketing of any of Defendant apparatus, product, device, process, method, act, or other instrumentality that you contend practices the inventions claimed in the Patents-in-Suit, including but not limited to the products identified in Section VI of . . . Defendants' Disclosure of Asserted Claims and Preliminary Infringement Contentions, served on or about December 5, 2008." *See id.* at 10.

HTC's Request for Production No. 9 reads as follows: "All pleadings, motions (with supporting briefs and responses thereto), judicial rulings on motions, discovery requests, discovery responses (including patent local rule[] disclosures, deposition transcripts, hearing and/or trial transcripts, judgments, opinions, orders, appellate briefs, and decisions in any and all lawsuits and/or alternative dispute resolution proceedings relating to the Patents-in-Suit." *See id.* at 10-11.

HTC's Request for Production No. 10 reads as follows: "All documents produced by you in any and all lawsuits and/or alternative dispute resolution proceedings relating to the Patents-in-Suit." *See id.* at 11.

HTC's Request for Production No. 11 reads as follows: "All documents and communications that record, reflect, relate to, refer to or mention any and all negotiations between you and any person and/or entity in connection with the settlement of any and all lawsuits and claims relating to the Patents-in-Suit." *See id.* at 12.

1 communications and/or communications among co-defendants Technology Properties Ltd.,
 2 Patriot Scientific Corp., Alliacense Ltd. and the named inventors of the Patents-in-Suit relating to
 3 categories a. through f. above are not relevant to any of the claims or defenses in this case. TPL's
 4 argument is without merit. TPL has apparently been withholding responsive, non-privileged
 5 documents in its possession regarding prior or pending litigations, reexaminations and/or other
 6 proceedings involving the Patents-in-Suit. *See* Chen Decl., Ex. C., pp. 4-5.

7 The high relevance of the requested documents is obvious. These documents may lead to
 8 admissible evidence relating to a variety of issues, including without limitation invalidity, non-
 9 infringement, ownership (including standing) and calculation of patent damages. TPL's refusal to
 10 produce these highly-relevant documents is without basis, and the Court should order their
 11 production forthwith.

12 **III. CONCLUSION**

13 For the reasons stated above, HTC respectfully requests that the Court grant its motion to
 14 compel further responses and production of documents responsive to HTC's Interrogatories Nos.
 15 3 and 4 and Requests for Production Nos. 3, 5, 6 and 8-11.

18 Dated: November 9, 2010

COOLEY LLP

21 /s/ Kyle Chen /s/

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 Attorneys for Plaintiffs
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